

Exhibit A



PROSPECTIVE FINANCIAL ANALYSES
FOR VARIOUS OWNERSHIP AND OPERATIONAL
SCENARIOS RELATING TO
THE RESORTS INTERNATIONAL CASINO-HOTEL
AND
THE TAJ MAHAL HOTEL & CASINO

SEPTEMBER 1987

EXHIBIT # WEBB-7
DATE 9-17-91 VFB
LAVENTHOL & HORWATH, INC.
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September 25, 1987

Mr. E. Steven Norton
Executive Vice President
Resorts International, Inc.
Atlantic City, New Jersey

Dear Mr. Norton:

In accordance with our engagement letter dated July 29, 1987, we have prepared prospective analyses of cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income ("cash flow") for the Resorts International Casino-Hotel and the Taj Mahal Hotel & Casino under various assumed ownership and operational scenarios. This report presents the underlying assumptions and our findings, conclusions, recommendations and prospective analyses.

This report is based on estimates, assumptions and other information developed from research of the market, our knowledge of the industry and our meetings with you during which we were provided certain information. The sources of information and the bases of the estimates and assumptions are stated herein. The terms of this engagement are such that we have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of completion of our fieldwork, September 25, 1987. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the subject properties.

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DISCUSSION AND OUTLINE

The accompanying prospective analyses of future operating results are based on estimates and assumptions developed in connection with our market analysis. However, some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period of the prospective analyses will vary from the estimates, and the variations may be material.

In accordance with our engagement letter, we did not ascertain the legal and regulatory requirements applicable to these properties, including zoning, other state and local government regulations, permits and licenses. In addition, no effort has been made to determine the possible effect on the properties of present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof or of future energy shortages.

Further, we have not been engaged to evaluate the effectiveness of management and we are not responsible for future marketing efforts and other management actions upon which actual results will depend.

Our report is intended solely for the information of the officers, directors, and shareholders of Resorts International, Inc. and, if desired, the Casino Control Commission of New Jersey. Otherwise, neither this report nor its contents may be referred to or quoted in any registration statement, prospectus, loan or other agreement or document without our prior written consent.

Savanthol & Horwath

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INTRODUCTION AND SCOPE

Resorts International, Inc. ("Resorts") is proactively analyzing its future options regarding its casino-hotel holdings in Atlantic City in an effort to maximize corporate operating incomes and shareholder value. Specifically, Resorts is analyzing its options regarding the Resorts International Casino-Hotel ("RICH") and the adjacent, under construction, Taj Mahal Hotel & Casino ("the Taj") which is scheduled to open in the fourth quarter of 1988. The various scenarios being analyzed are as follows:

- The Taj opens and Resorts owns and operates both the Taj and RICH as casino-hotels;

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- The Taj opens and Resorts converts the casino at the RICH to meeting/exhibit space with the remainder of the RICH operated as a support facility for the Taj; and
- The Taj opens and the RICH is sold to another qualified casino-hotel operator and is operated as a competitor to the Taj.

As part of its "due diligence" efforts, Resorts retained Laventhal & Horwath to prepare prospective analyses of cash flow for the four years ending December 31, 1992 for each of the alternatives previously mentioned.

The procedures undertaken included, but were not necessarily limited to, the following. We:

- Met with representatives of Resorts to discuss the different scenarios and avail ourselves of relevant information;
- Availed ourselves of information relating to Atlantic City casino-hotel market shares and financial operating results;
- Analyzed the operational efficiencies associated with each alternative;
- Analyzed the competitive attributes inherent to each alternative;
- Prepared prospective levels of casino win for the Taj Mahal and the RICH casino, where appropriate;

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- Prepared prospective analyses of cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income for the stipulated period for each alternative; and
- Prepared a written report summarizing our findings, conclusions and prospective analyses.

ATLANTIC CITY MARKS

EXECUTIVE SUMMARY

The gaming industry in Atlantic City, New Jersey began in May 1978 with the opening of the Resorts International Casino-Hotel and has grown to a current supply of 12 casino-hotels. The largest casino-hotel yet, the 1,250-room, 120,000-square-foot casino Taj Mahal Hotel & Casino, is scheduled to open in the fourth quarter of 1988. Resorts International, Inc. owns both the Resorts International Casino-Hotel and the Taj Mahal project.

While Atlantic City's casino win totals continue to increase annually, these increases are decreasing in magnitude

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and overall profit percentages have become relatively flat, indicating reduced growth and increasing competitiveness in the market. One casino-hotel, the Atlantis, is under the protection of Chapter 11 of the Bankruptcy Act and several others are considered poor performers, at least in part due to this increased competitiveness.

With the opening of the Taj scheduled for the fourth quarter of 1988 in this extremely competitive environment, Resorts is proactively evaluating its options regarding the Taj and RICH. Assuming that one option available to Resorts would be to close the Resorts International Casino-Hotel's casino and operate its remaining facilities in support of the Taj Mahal and its casino, and another would be to sell the Resorts International Casino-Hotel ("RICH") to another owner/operator. Citywide casino win estimates were prepared for the period January 1, 1989 through December 31, 1992 under each option in inflated dollars, as follows:

<u>Year</u>	Prospective levels of Citywide casino win (000's)	
	<u>With RICH casino open</u>	<u>With RICH casino closed</u>
1989	\$2,919,734	\$2,866,431
1990	3,094,918	3,067,081
1991	3,280,613	3,280,613
1992	3,477,450	3,477,450

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Levels of casino win were estimated for both RICH and the Taj Mahal under the following scenarios: (1) both casinos are open and owned by Resorts; (2) RICH is sold to another experienced owner/operator and operated as a competitor to the Taj Mahal; and (3) the Taj Mahal is supported by RICH with its casino closed and converted to meeting/exhibit space. The final option offers two particular advantages to the entire casino supply in Atlantic City, as well as to Resorts: (1) it results in one less casino and 60,000 square feet less casino area and, thus, less dilution of the Citywide win and higher average wins per casino (which would be of particular importance to the Atlantis and Claridge operations); and (2) it provides some 60,000 square feet more in much-needed meeting/exhibit space to help attract and service the convention market (the increased attraction of which was a primary goal of the Casino Control Act).

Prospective analyses of cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income ("cash flow") were also prepared, in inflated dollars, for each scenario for the four-year period ending December 31, 1992. The prospective cash flows are based on the historical operating characteristics of RICH and other Atlantic City casino-hotels and the assumption that the Trump Organization, or an affiliate thereof, will be retained to

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coordinate the operations of the casino-hotels. These cash flows, as they would accrue to Resorts as owner, are summarized in the following table:

Prospective Cash Flows from Operations before Management Fees, Reserve for Replacement of Fixed Assets, Debt Service and Taxes on Income (000's)

<u>Year</u>	<u>RICH and Taj Owned by Resorts as Casino-Hotels</u>	<u>RICH and Taj Owned by Resorts (with RICH Casino Closed)</u>	<u>Taj Owned by Resorts (in Competition with RICH)</u>
1989	\$107,577	\$140,363	\$ 78,496
1990	125,293	161,125	90,770
1991	143,830	184,864	105,475
1992	157,774	200,380	115,359

These prospective cash flows reflect that the efficiencies associated with the use of RICH without a casino in support of the Taj greatly enhance operating performance and efficiency and result in higher profits. They also indicate that the assumed sale and operation of RICH as a competing casino-hotel result in substantially reduced cash flows to Resorts, which reductions most probably cannot be offset by proceeds from the assumed sale. They do not reflect, however, savings that would occur through lower pre-opening expenses and training costs, improved employee efficiencies and reduced capital expenditures and working capital requirements (cash banks) should the RICH casino close almost concurrently with the opening of the Taj casino, thus allowing a shifting of already trained personnel and funds rather than a total new hiring and training situation.

HISTORICAL SUMMARY

CITYWIDE

The first casino-hotel in Atlantic City ("the City"), the Resorts International Casino-Hotel, opened its casino on May 26, 1978. Since that time, 11 more casino-hotels have opened in the City and, as a result, the gaming industry in Atlantic City has become increasingly competitive.

The City's primary need at this time is to become more of a year-round destination resort, particularly to major

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conventions and group meetings. This business is typically strongest on weekdays in the fall and spring -- periods when Atlantic City's casinos have a great deal of excess capacity. Efforts such as a new convention center and the construction of additional guest rooms and meeting and arena space in the City will help attract this demand and provide more support to the City's casinos.

The data presented on the following page summarizes various win statistics which indicate a maturation/stabilization of the Atlantic City casino market over the past few years.

In addition to the slowdown in the rate of increase in casino win and the stabilization in the average win per casino, the increased competition in recent years has resulted in a decline then stabilization in the overall profitability percentages of the City's casino-hotels.

Among the casinos pulling the overall profit percentages down are the Atlantis, which is currently under the protection of Chapter 11 of the Bankruptcy Act, and the Claridge. Citywide average incomes before depreciation and amortization, charges from affiliates and interest, but after management fees, have decreased as percentages of total revenues from the high 30's in the late 1970's, through the mid-20's in the early 1980's to around 20 percent in the last three years.

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Cocaine Min. Statistics
Atlantic City, New Jersey
1978 through 1986

<u>Year</u>	<u>Cocaine min.</u>		<u>Average cocaine square footage</u>	<u>Average cocaine min per square foot</u>	<u>Average number of cocaine open</u>	<u>Average min per cocaine equivalent (000)</u>
	<u>Amount (000)</u>	<u>Percent increase</u>				
1978	0 134,073	-	29,780	4.583	.6	0223,453
1979	315,401	142.00	85,363	3.670	1.5	216,987
1980	642,873	97.5	106,972	5.900	3.6	178,320
1981	1,099,783	71.1	339,160	3.243	7.3	150,655
1982	1,493,164	35.0	423,312	3.529	9.8	165,967
1983	1,778,942	18.4	420,887	4.129	9.9	196,771
1984	1,931,767	10.2	473,972	4.101	9.6	203,360
1985	2,110,652	9.6	510,343	4.163	10.3	203,461
1986	2,201,103	6.7	507,977	4.086	11.0	207,262

Sources: New Jersey Cocaine Control Commission and Lawrence's beneath.

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A "snapshot" of the Atlantic City casino-hotel supply as of June 30, 1987, with selected operating statistics, follows:

<u>Casino-hotel</u>	<u>Date opened</u>	<u>Number of rooms</u>	<u>Casino square footage</u>	<u>Casino win-1986 (\$000's)</u>
Resorts International	May 26, 1978	724	59,857	234,995
Caesar's Boardwalk Regency	June 26, 1979	645	59,296	259,632
Bally's Park Place	December 29, 1979	510	59,967	228,407
Sands	August 13, 1980	501	49,688	189,936
Harrah's	November 23, 1980	750	60,444	236,511
Golden Nugget	December 9, 1980	518	43,612	249,930
Atlantis	April 14, 1981	500	50,875	102,991
Claridge	July 20, 1981	504	43,168	119,864
Tropicana	November 23, 1981	513	59,673	214,423
Trump Plaza	May 14, 1984	614	60,000	218,026
Trump's Castle	June 17, 1985	603	60,000	226,478
Showboat	March 30, 1987	516	60,000	Not open
Totals		6,898	666,580	\$2,281,193

Source: Atlantic City Casino Association.

The only certain addition to be made to the above casino-hotel supply is Resorts' Taj Mahal Hotel & Casino ("the Taj"), currently scheduled to open across the street from the RICH in the last quarter of 1988 (assumed herein to be January 1, 1989). The Taj will be Atlantic City's largest casino-hotel, with some 120,000 square feet of casino space, 1,250 guest rooms and 170,000 square feet of convention space, including a 6,000-seat arena. These additions will result in 18 percent increases in both the casino square footage and casino-hotel guest room

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supplies. A net 120,000-square-foot increase in casino square footage will be the largest single increase in Atlantic City's history and the largest percentage increase since 1982. Its impact will be felt, particularly by the poorer performing casino-hotels. The negative impact on the wins and profits of the existing casino-hotels, however, could be partially negated should the RICH's casino be closed and the Citywide casino win therefore diluted less. The possible impact of the entry of the Taj on Citywide casino win is discussed in a later section of the report.

~~PROSPECTIVE MARKET POSITIONS -- CASINO WIN~~

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~~...C. 40%.~~

PROSPECTIVE MARKET POSITIONS -- CASINO WIN

This section of the report presents prospective analyses for the Atlantic City casino industry -- for the City as a whole and for the RICH and Taj casinos under various operating scenarios. All amounts indicated in this section are expressed in dollars adjusted for the presumed effects of inflation.

CITYWIDE

Laventhal & Horwath prepares prospective estimates of casino win for Atlantic City as a whole on the basis of the historical relationships between changes in the monthly Citywide

PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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win-per-square-foot and changes in the monthly Citywide casino square footage. The table on the following page presents the monthly average casino square footages for Atlantic City from January 1982 through July 1987 and the related monthly wins-per-square-foot.

Results of analyses of the relationships between changes in casino supply and casino demand (win-per-square-foot) since 1981 were used herein to estimate Citywide casino wins through 1990, after which (through 1992) no additions to casino supply are anticipated and an annual increase of six percent in win-per-square-foot was estimated (supported by market experience).

Apart from the varying operational scenarios wherein RICH's casino may be in operation, either by Resorts or by a new owner, or closed, only three casino supply changes are contemplated in the prospective analyses herein:

- . Fourth quarter 1988 - the Taj Mahal opens with 120,000 square feet of casino space (and RICH closes under the applicable scenario). Date of opening assumed herein to be January 1, 1989.
- . October 1, 1988 - a 30,000-square-foot expansion to the Tropicana's casino opens.
- . January 1, 1989 - a 20,000-square-foot expansion to Bally's Park Place casino opens.

Monthly Casino Min Statistics
Atlantic City, New Jersey
January 1982 through July 1987

	1982	1983	1984	1985	1986	1987
January:	Average square feet per foot Min per square foot	415,400 6210	427,887 6282	427,553 6211	510,193 6239	509,693 6238
February:	Average square feet per foot	415,400 6213	430,221 6207	419,999 6242	510,194 6207	501,733 6206
March:	Average square feet per foot	415,400 6215	430,221 6218	418,724 6249	500,793 6163	503,666 6220
April:	Average square feet per foot	415,400 6279	430,511 6258	422,898 6263	501,194 6216	502,442 6204
May:	Average square feet per foot	426,306 6203	430,512 6119	439,627 6135	500,712 6110	500,287 6124
June:	Average square feet per foot	426,306 6201	430,512 6143	439,627 6135	510,303 6111	506,227 6123
July:	Average square feet per foot	426,306 6177	430,512 6150	439,627 6135	500,303 6113	506,224 6121
August:	Average square feet per foot	427,887 6160	430,512 6224	439,726 6191	500,303 6103	503,304 6117
September:	Average square feet per foot	427,887 6163	430,512 6169	510,184 6158	500,303 6117	503,270 6116
October:	Average square feet per foot	427,887 6171	420,916 6171	510,184 6128	509,147 6116	505,219 6111
November:	Average square feet per foot	427,887 6206	420,105 6159	510,184 6162	507,427 6117	500,227 6111
December:	Average square feet per foot	427,887 6246	420,105 6284	510,184 6203	508,067 6236	504,893 6267
Annual:	Average square feet per foot	425,112 6319	420,007 6129	473,072 6191	507,303 6103	507,077 6103

Source: Atlantic City Casino Association and Laventhal & Bernick.

PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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Based on a July 1, 1987 Citywide supply of 666,580 square feet, the supply additions discussed on page 18 and the demand estimate methodologies previously discussed, Citywide casino wins were estimated to be as shown on the following page. As indicated, the closure of the RICH casino is estimated to result in temporary reductions in annual Citywide casino win of approximately \$28 to \$54 million in the calendar years 1989 and 1990, after which Citywide win levels are estimated to recover and be the same under both scenarios. However, due to the related fact that one less casino would be in operation, the prospective average wins-per-casino would be much higher under the RICH casino closed scenario as shown below for the years 1989 through 1992:

Year	RICH casino open		RICH casino closed	
	Number of casinos	Prospective win per casino (000's)	Number of casinos	Prospective win per casino (000's)
1989	13	\$224,595	12	\$238,869
1990	13	238,071	12	255,590
1991	13	252,355	12	273,384
1992	13	267,496	12	289,788

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Prospective Citywide Gasoline Usage
1987 through 1992
(expressed in inflated dollars)

	With 1985 gasoline open Citywide gasoline usage square feet increased)		With 1985 gasoline open Citywide gasoline usage square feet decreased)		With 1985 gasoline open Citywide gasoline usage square feet constant)		With 1985 gasoline open Citywide gasoline usage square feet constant (rounded)	
	Average Citywide gasoline square feet (in thousands)	Percentage change from 1985-91	Average Citywide gasoline square feet (in thousands)	Percentage change from 1985-91	Average Citywide gasoline square feet (in thousands)	Percentage change from 1985-91	Average Citywide gasoline square feet (in thousands)	Percentage change from 1985-91
1987	609,300	0.797	62,465,292	0.15*	649,300	02,737	62,465,292	0.15*
1988	674,100	3,894	2,624,294	6.5	674,100	3,896	2,624,294	6.5
1989	816,600	3,499	2,919,734	11.2	776,600	3,691	2,866,431	9.1
1990	816,600	3,499	2,906,910	6.0	776,600	3,949	2,867,901	7.0
1991	816,600	3,221	2,806,613	6.0	776,600	4,224	2,800,613	7.0
1992	816,600	4,197	2,477,430	6.0	776,600	4,470	2,477,430	6.0

*Increase based on 1985 gasoline use of \$2,201,193,000 (rounded).

Notes: The comments and assumptions contained in this report are an integral part of these prospective data.

PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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RESORTS INTERNATIONAL CASINO-HOTEL

Casino win levels are estimated for RICH under two scenarios: (1) that it continues to be operated by Resorts as a casino-hotel in conjunction with the Taj; and (2) that it is sold and operated as a casino-hotel competitive with the Taj. Under the first scenario, it is assumed that RICH and the Taj are physically connected. Under the second scenario, it is assumed that the new operator would be experienced and would have a name with market recognition. However, no specific owner/operator was considered.

RICH Owned by Resorts

With Resorts owning both the Taj and RICH casinos, management would most likely shift almost all of its high-roller, table game-oriented customers to the Taj and concentrate on slot play and bus patron business at the older, smaller RICH casino. Given an option, management will almost certainly attempt to optimize casino win at the more efficient Taj at the sacrifice of RICH's win. For this reason, we have estimated RICH's percentage of fair share to drop to 87 percent of its proportionate share of

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PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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Citywide win (on a square foot basis) in all years under this scenario and the resultant levels of casino win to be as follows:

<u>Year</u>	<u>RICH's percentage of "fair" share on a per- square-foot basis</u>	<u>Prospective casino win - RICH (000's)</u>
1989	87%	\$182,178
1990	87	193,109
1991	87	204,695
1992	87	216,977

RICH Operated by New Owner/Operator

Should RICH be sold (which sale would be difficult and result in a lower price given the excess supply of casino space that currently exists in Atlantic City, the anticipated reduction in casino-hotel profits due to the opening of the Taj Mahal immediately next door to RICH and the imminent increases in competitive supply in the marketplace generally as the 120,000-square-foot Taj Mahal and two casino expansions are placed in service) to another experienced owner/operator with an established name, it will probably experience higher levels of casino win as the new operator makes every attempt to maximize win/market penetration and compete with the Taj Mahal through special promotions, extensive bus programs and other efforts to attract patrons to the casino. (It will be discussed later,

PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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however, that the expenses to undertake such efforts and attract these patrons may actually result in lower profits.) In reflection of this revenue-maximization philosophy, casino win levels were estimated for RICH under new ownership (and in competition with the adjacent Taj Mahal) to be as follows:

<u>Year</u>	RICH's percentage of "fair" share on a per-square- foot basis	Prospective casino win-RICH (000's)
1989	85%	\$177,990
1990	90	199,768
1991	90	211,754
1992	90	224,459

Thus, after a slightly lower win level in its initial year of operation, RICH under new ownership/operation is estimated to generate slightly higher levels of casino win than under the scenario wherein RICH is operated by Resorts in conjunction with the Taj Mahal.

TAJ MAHAL HOTEL & CASINO

Casino win levels were estimated for the new 120,000-square-foot Taj Mahal casino under three scenarios: (1) that it is owned by Resorts and operated in conjunction with RICH as a complementary casino-hotel; (2) that it is owned by Resorts and

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PROSPECTIVE MARKET POSITIONS — CASINO WIN

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operated in competition with RICH under new ownership and management; and (3) that it is owned by Resorts and operated in conjunction with RICH as a supporting facility, with RICH's casino closed and converted to meeting or exhibit space to help attract and service conventions, trade shows, etc. and make Atlantic City a more attractive destination resort as well as broadening the local economic base as a result of the expanded convention industry. The attraction of such increased convention and trade show demand under all three scenarios involving the Taj will help achieve one of the primary objectives of the Casino Control Act — to revive the City's once flourishing convention-business — and will be maximized in the scenario wherein the RICH casino room is closed and converted to convention/exhibit space.

Taj Mahal With RICH — Two Casinos
Owned by Resorts

As discussed on page 22, management would most likely shift almost all of its high-roller, table game-oriented customers to the Taj should it operate both casinos. In estimating percentages of fair share for the Taj, on a per-square-foot basis, we considered the following factors which would contribute towards the Taj achieving either a premium or discounted share of the market:

PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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. Factors favoring a premium share:

- .. The newest and largest casino-hotel in the City;
- .. The beneficial "critical mass" of facilities available at that end of the Boardwalk (the two newest casinos at Showboat and the Taj, plus RICH);
- .. The extraordinary scope of support facilities (guest rooms, suites, food and beverage outlets, recreational and entertainment facilities, meeting space, parking, etc.) available between the two properties -- critical in attracting shoulder season conventions and group meetings;
- .. The ability of the Taj to attract and service sports and other special events and major gate shows using its 6,000-seat arena and spacious meeting space; and
- .. The Taj's "inheritance" of loyal customers from RICH, particularly its high-roller, table-game oriented patrons.

. Factor favoring a discounted share:

- .. The need for Taj to share some markets with RICH.

With RICH and the Taj combining their casinos, guest rooms, food and beverage outlets, meeting space, recreational and entertainment facilities and parking to help in attracting and servicing more casino patrons, especially from conventions, the Taj should be able to improve its percentages of fair share and

PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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the pair should constitute the most comprehensive casino complex in Atlantic City. At that point, the complex would offer 180,000 square feet of casino space, approximately 2,000 hotel rooms and an unparalleled array of food, beverage, meeting, recreational, entertainment, retail and parking facilities. From an operational efficiency standpoint, however, the complex would suffer somewhat due to the duplication of many facilities (i.e., cages, hard count rooms, soft count rooms, etc.) and employee positions.

On the basis of these factors, it was estimated that the Taj could be expected to achieve a penetration of 87 percent of its fair share during its first year of operation, 89 percent in 1990 and 91 percent thereafter (1991 and 1992). The application of these penetration rates resulted in the following prospective levels of win for the Taj:

<u>Year</u>	<u>Taj Mahal's percentage of "fair" share on a per- square-foot basis</u>	<u>Prospective casino win - Taj Mahal (000's)</u>
1989	87%	\$364,356
1990	89	395,096
1991	91	428,213
1992	91	453,906

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PROSPECTIVE MARKET POSITIONS -- CASINO WIN

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Taj Mahal with RICH as a Competing Casino-Hotel

With RICH as a competing facility, rather than a complementary one as in the previous scenario, we believe that Management would be more aggressive in its casino programs and would certainly not share markets with RICH as assumed in the previous Taj scenario. On the other hand, the Taj would not have the facilities of RICH to help it attract convention business under this scenario. The overall effect of these differences would be slight decreases in the percentages of fair share for the Taj and the resulting levels of prospective casino win:

<u>Year</u>	<u>Taj Mahal's percentage of "fair" share on a per- square-foot basis</u>	<u>Prospective casino win - Taj Mahal (000's)</u>
1989	86	\$360,168
1990	88	390,657
1991	90	423,507
1992	90	448,918

Taj Mahal with RICH Supporting but
Casino Closed

Similar to the scenario wherein both the Taj and RICH are in operation as full-service, jointly-operated casino-hotels, a combination of the two should continue to be extremely competitive. In fact, under the scenario wherein RICH's casino

PROSPECTIVE MARKET POSITIONED CASINO WIN

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is closed and converted to "meeting" or exhibition space, the combination will maximize competitiveness and profitability. Certain of the positive aspects which emerge from this scenario, in addition to the increased profitability, include: (1) even more casino support facilities are available to the Taj; (2) the Taj has one less casino with which to compete (as well as minimizing the dilution of Citywide win); and, (3) the savings in time and dollars associated with the orderly transfer of employees, funds, inventories and the like from the RICH to the Taj (versus new hiring, training, etc.).

Understanding the above, percentages of fair share for the Taj and resultant levels of prospective casino win are estimated to be as follows:

<u>Year</u>	<u>Taj Mahal's percentage of "fair" share on a per- square-foot basis</u>	<u>Prospective casino win - Taj Mahal (000's)</u>
1989	110%	\$487,212
1990	112	530,795
1991	114	577,888
1992	114	612,561

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PROSPECTIVE ANALYSES OF CASH FLOW

Prospective analyses of cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income ("cash flow") were prepared in inflated dollars for the four years ending December 31, 1992 for the RICH and Taj Mahal properties under the scenarios previously discussed.

The historical operating results of the RICH were utilized as a primary basis for its prospective cash flows and

PROSPECTIVE ANALYSES OF CASH FLOW

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these, plus the past results of other Atlantic City casino-hotels, formed the bases for the Taj Mahal's prospective analyses. The assumption that The Trump Organization, or an affiliate thereof, will be retained to coordinate the operations of the casino-hotels, as proposed, was made herein with the prospective levels of revenues increased and the levels of expenses reduced on the basis of their successful performances in Atlantic City, namely at the Trump Plaza and Trump's Castle. Estimated amounts for "real estate and other taxes" were provided by Resorts. The analyses were initially prepared in current 1987 dollars then adjusted for inflation at an assumed rate of four percent per year. All of the statements and Exhibits herein are expressed in dollars adjusted for the assumed effects of inflation.

The Exhibits found at the end of this report present the prospective analyses in detailed form for the four years ending December 31, 1992 as follows:

Exhibit A - RICH and Taj Mahal Owned by Resorts as Casino-Hotels — Combined

Exhibit A-1 - RICH Owned by Resorts

Exhibit A-2 - Taj Mahal Hotel & Casino

Exhibit B - RICH and Taj Mahal Owned by Resorts (with RICH Casino Closed) — Combined

Exhibit B-1 - RICH Owned by Resorts (with Casino Closed)

Exhibit B-2 - Taj Mahal Hotel & Casino (with RICH Owned by Resorts (with Casino Closed))

PROSPECTIVE ANALYSES OF CASE FLOW

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Exhibit C - RICH Owned and Operated by a Competitor
Taj Mahal Owned by Resorts (i:
Competition with RICH) -- Combined

Exhibit C-1 - RICH Owned and Operated by a Competitor

Exhibit C-2 - Taj Mahal "Owned" by Resorts (i:
Competition with RICH)

The tables on the following pages are provided to facilitate prospective cash flow comparison between scenarios. These tables compare the prospective cash flows for 1989, the first full calendar year of operation for the Taj Mahal, for each property and combined under the various scenarios. Combined prospective analyses are provided for the scenario wherein RICH is sold solely to enable a comparison of total profitability between scenarios. Obviously, no such consolidated statement would exist in actuality as the properties would be owned by two separate entities.

The first table, on page 33, compares the combined cash flows for the various scenarios for 1989. These aggregate cash flow comparisons are more important to Resorts as an owner than might be the individual prospective cash flows.

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These 61 properties are arranged in a sequence of 163 plots extending from the northern boundary of the town to the southern boundary.

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RESORTS INTERNATIONAL CASINO-HOTEL ("RICH")
ATLANTIC CITY, NEW JERSEY

COMPARATIVE PROSPECTIVE ANALYSIS OF CASH FLOW (DEFICIT) FROM
OPERATIONS BEFORE AMORTIZATION FEES, RESERVE FOR REPLACEMENT OF
FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME
YEAR ENDING DECEMBER 31, 1989

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

	RICH as a casino-hotel owned by Resorts		RICH as a reporting noncasino-hotel owned by Resorts		RICH as a consolidating casino-hotel	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:						
Casino	\$182,178	75.2%	16,151	5.8%	817,739	
Guest rooms	16,949	7.3	16,151	5.8	17,811	
Food	17,453	7.3	7,788	2.7	17,733	
Beverage	9,983	4.2	4,363	1.5	4,753	
Entertainment	4,983	2.1	—	—	4,753	
Other operating departments	4,247	1.8	1,947	0.7	4,247	
Total gross revenues	<u>227,358</u>	<u>100.0</u>	<u>36,223</u>	<u>100.0</u>	<u>224,547</u>	
Less complimentary services	<u>25,025</u>	<u>11.0</u>	<u>—</u>	<u>0.0</u>	<u>21,957</u>	
Total net revenues	<u>202,333</u>	<u>99.0</u>	<u>36,223</u>	<u>100.0</u>	<u>204,549</u>	
Costs and expenses:						
Casino	87,719	34.4	—	—	81,653	
Guest rooms	25,949	2.5	—	—	7,153	
Food and beverage	25,949	2.5	—	—	25,949	
Entertainment	12,463	4.8	—	—	12,463	
Other operating departments	12,463	1.9	1,353	0.4	12,463	
Security	12,353	2.4	—	—	12,353	
Selling, general and administrative	25,353	9.4	4,123	14.3	21,230	
Property operations and maintenance	12,353	4.6	1,223	4.3	11,129	
Provision for doubtful accounts	1,123	0.5	—	—	1,123	
Casino win tax	14,574	5.3	—	—	14,574	
Real estate and other taxes	25,353	2.5	5,923	12.6	25,353	
Total costs and expenses	<u>186,572</u>	<u>77.6</u>	<u>31,182</u>	<u>82.9</u>	<u>184,503</u>	
Cash flow (deficit) from operations before amortization fees, reserve for replacement of fixed assets, debt service and taxes on income	<u>125,761</u>	<u>31.4%</u>	<u>14,730</u>	<u>-2.9%</u>	<u>119,535</u>	

* Under separate ownership; cash flow would accrue to other owner.

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

**TAJ MAHL HOTEL & CASINO ("TAJ")
ATLANTIC CITY, NEW JERSEY**

**COMPARATIVE PROSPECTIVE ANALYSIS OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT OF FIXED
ASSETS, DEBT SERVICE AND TAXES ON INCOME
YEAR ENDING DECEMBER 31, 1989**

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

	Taj with RICH as a casino-hotel owned by Resorts		Taj with RICH as a supporting casino-hotel owned by Resorts		Taj with RICH as a competing casino-hotel	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:						
Casino	\$34,355	75.8	\$457,212	81.8	\$364,163	75
Guest rooms	32,816	7.1	32,816	5.5	32,816	7
Food	34,773	7.6	42,387	7.1	34,576	7
Beverage	15,673	4.3	21,386	3.9	15,449	4
Entertainment	6,194	1.3	7,576	1.3	4,592	1
Other operating departments	2,163	0.5	2,163	0.4	2,163	0
Total gross revenues	464,163	100.0	556,541	100.0	453,573	100.
Less complimentary services	56,629	11.9	63,318	11.8	49,594	11.
Total net revenues	407,533	85.1	500,223	85.1	403,771	85.
Costs and expenses:						
Casino	134,455	30.1	176,524	31.6	137,594	30
Guest rooms	16,173	2.2	16,173	2.7	16,272	2
Food and beverage	46,785	10.5	57,881	10.7	47,812	10
Entertainment	9,201	2.0	11,743	2.0	7,659	1
Other operating departments	4,218	0.9	4,787	0.8	4,218	0
Security	16,124	2.2	18,781	3.3	16,872	2
Selling, general and administrative	46,818	10.0	44,634	8.2	45,821	10
Property operations and maintenance	25,788	4.5	22,653	4.1	25,557	4
Provision for doubtful accounts	2,186	0.5	2,823	0.5	2,161	0
Casino min tax	25,148	5.5	31,977	5.5	25,813	5
Real estate and other taxes	16,225	2.2	16,225	2.7	16,225	2
Total costs and expenses	323,644	71.4	386,736	65.3	322,273	71.
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	88,919	17.6	9141.236	23.7	872,496	17.

Notes: All percentages are expressed as a percentage of total gross revenue.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

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PROSPECTIVE ANALYSES OF CASE FLOW

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In summary, the prospective cash flows accruing to Resorts as owner under the various scenarios are as follows:

Prospective cash flows from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income (000's)

<u>Year</u>	<u>RICH and Taj Owned by Resorts as Casino-Hotels</u>	<u>RICH and Taj Owned by Resorts (with RICH Casino Closed)</u>	<u>Taj Owned by Resorts (in Competition with RICH)</u>
1989	\$107,577	\$140,363	\$ 78,496
1990	125,293	161,125	90,770
1991	143,830	184,864	105,475
1992	157,774	200,380	115,359

Two primary conclusions can be drawn from the prospective cash flows: (1) the efficiencies associated with the use of RICH without a casino as a supporting facility to the Taj more than overcome the reduced revenues in that scenario (as compared to the combined casino-hotel scenario) to result in higher profits; and (2) the operation of the Taj in competition with RICH under a new owner/operator results in greatly reduced operating cash flows to Resorts. The prospective cash flows for a competitive RICH under this scenario would not support a value, or sales proceeds to Resorts, sufficient to offset the reduction in annual cash flows to Resorts after a sale.

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KING AND TAJ MAHAL OWNED BY RESORTS AS CASINO-HOTELS - COMBINED
ATLANTIC CITY, NEW JERSEY

EDC

PROSPECTIVE ANALYSIS OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

For years ending December 31,

	1989		1990		1991		1992	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:								
Casino	\$54,534	71.3%	\$54,285	71.3%	\$62,984	71.3%	\$67,843	71.3%
Guest rooms	41,783	7.2	51,786	7.2	56,823	7.1	53,678	7.1
Food	25,457	7.6	24,454	7.6	24,727	7.6	24,450	7.6
Beverage	20,513	4.3	21,783	4.3	24,177	4.3	24,228	4.3
Entertainment	16,743	1.6	11,544	1.5	12,377	1.5	13,141	1.5
Other operating departments	4,118	0.6	4,387	0.6	4,532	0.6	4,745	0.6
Total gross revenues	633,136	100.0	746,873	100.0	861,672	100.0	843,871	100.0
Less complimentary services	76,243	11.8	82,863	11.8	98,184	11.8	93,794	11.8
Total net revenues	556,893	88.2	664,010	88.2	763,488	88.2	750,077	88.2
Costs and expenses:								
Casino	21,614	31.5	22,986	31.1	24,823	31.7	25,137	31.7
Guest rooms	16,122	2.3	16,991	2.3	17,583	2.2	16,514	2.2
Food and beverage	71,593	10.2	74,572	10.9	74,583	9.9	77,695	10.2
Entertainment	14,623	2.1	19,972	2.7	21,418	2.7	22,655	2.1
Other operating departments	4,150	1.2	5,111	1.2	5,476	1.2	5,388	1.2
Security	15,715	2.3	16,408	2.2	17,113	2.1	17,423	2.3
Selling, general and administrative	37,916	5.6	71,132	9.5	74,467	9.3	77,767	5.6
Property operations and maintenance	31,285	4.3	31,458	4.2	32,835	4.1	34,384	4.3
Provision for doubtful accounts	1,273	0.5	1,589	0.5	1,377	0.5	1,480	0.5
Casino win tax	4,723	0.3	47,886	0.3	51,623	0.3	51,671	0.3
Real estate and other taxes	16,154	2.3	16,192	2.2	16,283	2.0	16,273	2.3
Total costs and expenses	591,313	71.5	591,712	72.2	593,638	71.1	597,508	71.5
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	9187,577	15.3	9125,253	16.0	9142,838	17.9	9157,774	15.3

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

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100% OWNED BY RESORTS
ATLANTIC CITY, NEW JERSEY

PROSPECTIVE ANALYSIS OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

EXPRESSED IN THOUSANDS OF INFLATED DOLLARS

For years ending December 31,

	1989		1990		1991		1992	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:								
Casino	\$122,170	72.2%	\$131,183	73.3%	\$134,655	71.4%	\$126,977	69.8%
Guest rooms	16,949	7.3	17,038	7.1	16,532	7.8	19,863	13.6%
Food	17,455	7.5	18,533	7.5	19,531	7.5	20,538	11.7%
Beverage	9,153	4.2	10,033	4.2	11,534	4.2	11,717	6.2%
Entertainment	4,153	2.0	4,033	2.0	5,117	2.0	5,424	2.9%
Other operating departments	1,347	0.6	2,033	0.8	2,186	0.8	2,138	1.1%
Total gross revenues	<u>221,923</u>	<u>100.0</u>	<u>246,354</u>	<u>100.0</u>	<u>264,554</u>	<u>100.0</u>	<u>276,233</u>	<u>100.0</u>
Less complimentary services	<u>23,625</u>	<u>10.0</u>	<u>27,123</u>	<u>10.0</u>	<u>28,785</u>	<u>10.0</u>	<u>30,382</u>	<u>10.0</u>
Total net revenues	<u>207,300</u>	<u>93.8</u>	<u>219,231</u>	<u>91.0</u>	<u>222,249</u>	<u>83.8</u>	<u>245,851</u>	<u>87.5</u>
Costs and expenses:								
Casino	\$1,153	34.4	\$1,357	34.2	\$1,719	34.8	\$1,349	34.5%
Guest rooms	2,9	8.5	1,163	2.5	1,416	2.5	1,616	5.5%
Food and beverage	21,453	9.6	21,573	9.6	24,861	9.3	24,861	11.5%
Entertainment	2,157	4.8	2,577	4.8	3,191	4.8	3,191	11.5%
Other operating departments	4,153	1.9	4,612	1.9	4,786	1.8	4,786	1.7%
Security	2,151	2.4	2,582	2.4	2,869	2.3	2,869	1.0%
Selling, general and administrative	21,723	2.4	21,854	2.3	23,851	9.1	24,858	8.8%
Property operations and maintenance	2,318	4.8	2,705	1.9	3,198	1.9	3,198	1.1%
Provision for doubtful accounts	1,153	8.5	1,157	8.5	1,157	8.5	1,157	1.0%
Casino win tax	14,574	6.3	15,449	6.3	16,356	6.3	17,354	6.2%
Real estate and other taxes	2,5	5.2	2,4	5.2	2,3	5.2	2,3	5.2%
Total costs and expenses	<u>100,672</u>	<u>77.6</u>	<u>103,531</u>	<u>76.9</u>	<u>104,857</u>	<u>76.2</u>	<u>106,673</u>	<u>77.1</u>
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	<u>106,623</u>	<u>11.4%</u>	<u>109,902</u>	<u>12.1%</u>	<u>113,292</u>	<u>12.3%</u>	<u>117,147</u>	<u>12.5%</u>

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

TRI MAHAL HOTEL & CASINO
ATLANTIC CITY, NEW JERSEY

PROSPECTIVE ANALYSIS OF CASH FLOW FROM OPERATIONS-
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

EXPRESSED IN THOUSANDS OF INFLATED DOLLARS.

For years ending December 31,

	1988	1989	1990	1991	1992	For years ending December 31,	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Revenues							
Casino	324,355	79.2%	355,735	79.1%	342,213	79.2%	345,396
Guest rooms	32,816	7.1	34,525	7.2	34,577	7.1	34,573
Food	34,770	7.6	35,900	7.6	31,188	7.6	31,573
Beverage	12,675	4.3	12,717	4.3	12,124	4.3	12,511
Entertainment	12,194	2.9	12,717	3.0	12,288	3.0	12,716
Other operating departments	2,103	0.5	2,362	0.5	2,457	0.5	2,553
Total gross revenues	464,183	100.0	495,519	100.0	444,718	100.0	572,869
Less complimentary services	50,629	11.0	54,947	11.0	53,479	11.0	62,816
Total net revenues	413,553	100.0	440,572	100.0	411,239	100.0	510,053
Costs and expenses							
Casino	134,958	30.1	147,677	30.6	157,534	31.1	165,724
Guest rooms	15,123	2.2	16,225	2.2	11,398	2.1	11,391
Food and beverage	44,828	10.5	55,623	10.3	56,722	10.1	57,593
Entertainment	25,253	5.6	26,625	5.3	26,319	5.2	26,573
Other operating departments	4,228	0.9	4,455	0.9	4,762	0.9	4,867
Security	15,125	3.2	16,573	3.1	11,229	2.0	11,516
Selling, general and administrative	45,818	10.0	44,278	9.7	46,139	9.4	46,869
Property operations and maintenance	25,708	5.5	25,708	5.3	25,708	4.2	25,721
Provision for doubtful accounts	2,186	0.5	2,371	0.5	2,559	0.5	2,723
Casino win tax	25,142	5.5	31,508	6.3	34,267	6.3	34,312
Real estate and other taxes	18,283	4.2	18,281	4.1	18,277	3.9	18,382
Total costs and expenses	324,544	71.4	343,181	63.9	378,881	64.6	389,227
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	140,919	17.6%	52,338	10.1%	61,116,438	21.4%	81,251,626

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

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LUCK AND TAJ MAHAL OWNED BY RESORTS (WITH
LUCK CASINO CLOSED) - COMBINED
ATLANTIC CITY, NEW JERSEY

PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

For years ending December 31,

	1989		1990		1991		1992
	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Revenues:							
Casino	\$47,212	77.5%	\$50,785	77.6%	\$57,188	77.8%	\$61,561
Guest rooms	4,918	7.8	5,824	7.7	6,824	7.5	5,717
Food	3,103	4.8	3,672	4.8	4,024	4.8	3,994
Beverage	2,771	4.4	3,133	4.4	3,433	4.4	3,316
Entertainment	7,576	1.2	10,774	1.6	11,953	1.6	12,238
Other operating departments	4,118	0.7	4,387	0.6	4,582	0.6	4,745
Total gross revenues	<u>65,770</u>	<u>100.0</u>	<u>64,785</u>	<u>100.0</u>	<u>74,657</u>	<u>100.0</u>	<u>78,263</u>
Less complimentary services	<u>15,518</u>	<u>18.5</u>	<u>17,603</u>	<u>18.5</u>	<u>17,534</u>	<u>18.5</u>	<u>18,571</u>
Total net revenues	<u>50,254</u>	<u>81.5</u>	<u>512,281</u>	<u>81.5</u>	<u>56,123</u>	<u>81.5</u>	<u>78,263</u>
Costs and expenses:							
Casino	17,524	27.3	18,465	25.7	19,132	25.3	20,364
Guest rooms	3,586	2.3	4,024	2.4	4,476	2.4	4,244
Food and beverage	5,849	10.8	7,557	12.6	7,463	10.5	8,733
Entertainment	11,743	1.9	16,788	2.4	17,969	2.4	18,567
Other operating departments	3,381	0.8	6,749	1.0	7,819	0.9	7,338
Security	11,177	1.8	11,578	1.7	12,896	1.6	12,653
Selling, general and administrative	3,161	0.5	3,817	0.2	3,524	0.3	6,112
Property operations and maintenance	2,288	0.4	3,539	0.5	27,819	1.7	23,624
Provision for doubtful accounts	2,920	0.5	3,185	0.5	3,467	0.5	3,673
Casino win tax	31,977	5.2	42,444	5.2	44,231	5.2	49,352
Real estate and other taxes	16,154	2.6	16,192	2.4	16,233	2.2	16,273
Total costs and expenses	<u>413,857</u>	<u>67.1</u>	<u>458,500</u>	<u>65.9</u>	<u>473,669</u>	<u>64.6</u>	<u>513,312</u>
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	<u>\$146,363</u>	<u>22.4%</u>	<u>\$161,125</u>	<u>23.6%</u>	<u>\$184,864</u>	<u>24.3%</u>	<u>\$288,388</u>

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

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NICK GAMED BY RESORTS (WITH CASINO CLOSED)
ATLANTIC CITY, NEW JERSEY

PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME
(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

	For years ending December 31,						
	1989		1990		1991		11
	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Revenues:							
Casino	\$ 16,181	51.3	\$ 16,745	52.3	\$ 17,415	51.3	\$ 18,112
Guest rooms	7,725	21.8	6,453	20.3	5,246	27.2	5,881
Food	4,185	14.5	4,777	14.9	5,281	15.3	5,513
Beverage	9	0.0	9	0.0	9	0.0	9
Entertainment	1,947	6.4	2,025	6.3	2,186	6.2	2,190
Other operating departments							
Total gross revenues	\$ 31,223	100.0	\$ 32,844	100.0	\$ 33,564	100.0	\$ 35,616
Less complimentary services	0	0.0	0	0.0	0	0.0	0
Total net revenues	\$ 31,223	100.0	\$ 32,844	100.0	\$ 33,564	100.0	\$ 35,616
Costs and expenses:							
Casino	\$ 5,655	18.6	\$ 5,851	18.3	\$ 5,755	17.9	\$ 5,755
Guest rooms	3,928	12.9	3,634	11.7	3,450	11.6	3,450
Food and beverage	3,584	12.0	3,577	12.0	3,750	11.1	3,750
Entertainment	1,622	5.4	1,657	5.3	1,775	5.2	1,775
Other operating departments	1,557	5.2	1,711	5.2	1,826	5.1	1,826
Security	4,355	14.3	4,479	14.0	4,672	13.8	4,687
Selling, general and administrative	3,245	10.7	3,375	10.5	3,510	10.3	3,525
Property operations and maintenance	8	0.0	8	0.0	8	0.0	8
Provision for doubtful accounts	8	0.0	8	0.0	8	0.0	8
Casino win tax	5,923	19.6	5,942	18.5	5,957	17.5	5,972
Real estate and other taxes							
Total costs and expenses	\$ 31,182	102.9	\$ 32,419	101.2	\$ 33,811	93.5	\$ 35,682
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	(1473)	-2.9%	(1379)	-1.3%	8157	8.5%	\$ 550

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003450

TAJ MAHAL HOTEL & CASINO (WITH RICH OWNED BY RESORTS, WITH CASINO CLOSED)
ATLANTIC CITY, NEW JERSEY

EXH

PROSPECTIVE ANALYSIS OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

For years ending December 31,

	1989		1990		1991		1992	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:								
Casino	\$457,212	81.8%	\$501,783	81.3%	\$577,889	81.8%	\$612,531	81.2%
Guest rooms	32,616	5.9	36,672	5.9	41,557	5.4	44,555	5.4
Food	42,357	7.1	46,479	7.1	50,276	7.1	51,283	7.1
Beverage	23,396	4.1	25,479	4.1	30,739	4.1	32,423	4.1
Entertainment	7,576	1.3	10,774	1.7	11,553	1.6	12,353	1.6
Other operating departments	2,163	0.4	2,352	0.4	2,457	0.4	2,555	0.4
Total gross revenues	556,541	100.0	631,624	100.0	706,407	100.0	736,547	100.0
Less complimentary services	\$2,518	11.8	71,623	11.8	77,534	11.8	82,571	11.8
Total net revenues	534,022	88.2	573,994	88.2	628,873	88.2	653,976	88.2
Costs and expenses:								
Casino	178,524	31.6	182,465	29.9	195,132	27.5	205,354	27.5
Guest rooms	18,173	3.3	18,822	3.1	11,386	1.6	11,381	1.6
Food and beverage	57,841	10.7	61,913	10.5	64,813	9.3	65,777	9.3
Entertainment	11,743	2.0	16,788	2.6	17,869	2.5	18,937	2.5
Other operating departments	4,755	0.8	5,862	0.8	5,254	0.7	5,475	0.7
Security	18,728	3.3	11,287	1.7	11,718	1.7	12,284	1.7
Selling, general and administrative	44,134	8.2	51,318	7.9	51,873	7.6	52,261	7.6
Property operations and maintenance	22,155	4.1	23,153	4.1	24,395	3.4	25,344	3.4
Provision for doubtful accounts	2,920	0.5	3,185	0.5	3,467	0.5	3,673	0.5
Casino win tax	34,577	6.3	42,444	7.5	46,231	6.5	49,885	6.5
Real estate and other taxes	18,228	3.3	18,801	3.1	18,277	2.5	18,382	2.5
Total costs and expenses	384,776	68.3	418,481	64.2	445,849	62.9	461,223	62.9
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	\$141,266	23.7%	\$161,504	24.8%	\$184,767	25.1%	\$175,347	25.1%

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003451

RICH OWNED AND OPERATED BY A COMPETITOR;
TAU MAHAL OWNED BY RESORTS (IN COMPETITION WITH RICH) - COMBINED
ATLANTIC CITY, NEW JERSEY

PROSPECTIVE ANALYSES OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

For years ending December 31,

	1988		1989		1990		1991
	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Revenues:							
Casino	124,150	71.9%	83,904,423	71.8%	86,352,261	71.9%	86,713,377
Guest rooms	31,034	7.4	34,122	7.2	37,301	7.1	44,121
Food	21,575	7.7	27,488	7.7	31,432	7.7	35,542
Beverage	24,349	4.2	31,884	4.2	35,457	4.2	35,465
Entertainment	6,558	1.3	11,431	1.3	12,282	1.3	14,819
Other operating departments	4,110	0.6	4,387	0.6	4,932	0.6	4,745
Total gross revenues	322,222	100.0	744,323	100.0	804,635	100.0	822,264
Less complimentary services	73,902	18.8	81,186	18.8	87,164	18.8	92,322
Total net revenues	248,320	81.2	667,821	81.2	717,531	81.2	730,942
Costs and expenses:							
Casino	29,448	32.2	25,970	31.5	28,459	31.1	261,588
Guest rooms	17,393	2.6	16,271	2.4	19,153	2.4	19,367
Food and beverage	71,387	18.5	76,581	18.2	81,354	18.1	85,618
Entertainment	16,821	2.4	21,193	2.8	22,476	2.8	24,817
Other operating departments	4,653	1.3	9,111	1.2	9,476	1.2	9,553
Security	15,357	2.3	16,270	2.2	16,771	2.1	17,693
Selling, general and administrative	64,219	18.0	71,733	9.6	75,120	9.3	76,434
Property operations and maintenance	38,841	4.5	32,473	4.3	35,288	4.2	35,506
Provision for doubtful accounts	3,496	0.5	3,842	0.5	4,120	0.5	4,577
Casino win tax	42,053	5.3	47,234	5.3	51,821	5.3	53,178
Real estate and other taxes	16,154	2.1	16,192	2.2	16,233	2.0	16,273
Total costs and expenses	314,254	74.8	344,814	71.3	394,371	72.1	409,157
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	134,062	14.4%	8119,887	15.9%	8137,157	17.8%	8158,749

Notes: All percentages are expressed as a percentage of total gross revenues.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003452

EX-
SUCH OWNED AND OPERATED BY A COMPETITOR
ATLANTIC CITY, NEW JERSEY

PROSPECTIVE ANALYSIS OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME

(EXPRESSED IN THOUSANDS OF DILATED DOLLARS)

For years ending December 31,

	1989		1990		1991		1992	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:								
Casino	\$177,720	77.3%	\$193,720	78.4%	\$211,724	78.3%	\$221,457	78.3%
Guest rooms	17,810	7.8	19,720	7.3	21,222	7.1	21,522	7.1
Food	17,720	7.8	19,720	7.8	21,175	7.8	21,525	7.8
Beverage	4,220	1.8	4,920	1.9	5,320	1.9	5,120	1.9
Entertainment	4,920	1.8	5,880	1.8	6,520	1.8	6,120	1.8
Other operating departments	14,947	6.9	20,800	6.8	21,186	6.8	21,186	6.8
Total gross revenues	221,547	100.0	254,400	100.0	263,703	100.0	265,523	100.0
Liquor complimentary services	21,557	10.0	25,703	10.0	26,325	10.0	25,904	10.0
Total net revenues	200,990	95.5	228,697	95.5	237,378	95.5	239,619	95.5
Costs and expenses:								
Casino	81,520	36.8	85,120	32.9	87,320	32.8	90,720	32.7
Guest rooms	12,100	5.4	12,420	4.9	12,720	4.7	12,920	4.7
Food and beverage	18,220	8.1	20,320	8.0	21,820	8.1	22,320	8.1
Entertainment	4,720	2.1	5,410	2.1	5,920	2.1	6,520	2.1
Other operating departments	12,220	5.5	14,620	5.8	15,320	5.5	15,920	5.5
Security	2,420	1.1	2,720	1.1	2,920	1.1	2,920	1.1
Selling, general and administrative	24,520	11.0	27,720	11.0	29,320	11.0	30,920	11.0
Property operations and maintenance	9,820	4.4	11,620	4.5	12,320	4.5	13,920	4.5
Provision for doubtful accounts	14,820	6.6	16,820	6.6	17,320	6.6	18,920	6.6
Casino min tax	8,620	3.8	10,420	4.1	11,320	4.1	12,920	4.1
Real estate and other taxes	14,520	6.2	15,920	6.3	16,320	6.3	17,920	6.3
Total costs and expenses	184,920	82.9	203,200	78.4	205,720	77.8	208,154	78.0
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	815,556	8.63	828,237	11.13	833,681	11.73	832,389	11.73

Notes: All percentages are expressed as a percentage of total gross revenue.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003453

TAJ MAHL OWNED BY RESORTS (IN COMPETITION WITH RICO
ATLANTIC CITY, NEW JERSEY

EXHIBIT C

PROSPECTIVE ANALYSIS OF CASH FLOW FROM OPERATIONS
BEFORE MANAGEMENT FEES, RESERVE FOR REPLACEMENT
OF FIXED ASSETS, DEBT SERVICE AND TAXES ON INCOME
(EXPRESSED IN THOUSANDS OF INFLATED DOLLARS)

For years ending December 31,

	1989		1990		1991		1992	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenues:								
Casino	136,153	73.4%	139,557	73.3%	142,557	73.5%	144,918	73.7%
Guest rooms	32,816	7.2	35,237	7.2	35,438	7.1	34,878	7.1
Food	34,576	7.6	35,523	7.6	36,657	7.6	37,956	7.6
Beverage	19,449	4.3	21,788	4.3	22,869	4.3	24,242	4.3
Entertainment	4,382	1.0	5,153	1.4	7,411	1.4	7,856	1.4
Other operating departments	2,163	0.5	2,332	0.5	2,457	0.5	2,553	0.5
Total gross revenue	423,673	100.0	429,946	100.0	434,531	100.0	436,745	100.0
Less complimentary services	43,984	11.0	54,345	12.6	58,842	13.4	62,342	14.1
Total net revenues	380,671	89.0	375,601	87.4	375,689	89.0	374,403	85.9
Costs and expenses:								
Casino	137,594	38.3	146,774	35.7	155,558	35.3	164,757	35.2
Guest rooms	18,272	5.3	18,824	4.3	11,427	2.4	11,529	2.4
Food and beverage	47,812	13.3	50,386	11.3	54,418	12.2	57,289	13.0
Entertainment	7,655	2.1	11,638	2.6	12,633	2.7	13,334	2.2
Other operating departments	4,218	1.1	4,499	1.0	4,633	1.0	4,867	1.1
Security	14,872	4.0	16,524	3.7	14,724	3.1	11,434	2.5
Selling, general and administrative	45,121	12.1	44,180	10.1	45,954	10.4	50,982	11.9
Property operations and maintenance	28,557	7.5	21,623	4.8	24,623	5.4	27,621	6.1
Provision for doubtful accounts	2,161	0.5	2,334	0.5	2,541	0.5	2,694	0.6
Casino win tax	24,813	6.4	31,281	7.3	34,881	7.3	35,913	8.1
Real estate and other taxes	18,226	4.9	18,581	4.1	18,277	4.1	18,382	4.1
Total costs and expenses	325,273	71.7	344,531	78.6	376,613	69.3	392,844	68.1
Cash flow from operations before management fees, reserve for replacement of fixed assets, debt service and taxes on income	878,496	17.3%	798,770	18.4%	818,473	19.7%	8115,329	21

Notes: All percentages are expressed as a percentage of total gross revenue.

Amounts and percentages may not add due to rounding.

The comments and assumptions contained in this report are an integral part of these prospective analyses.

M0003454